

REAL ESTATE COMMISSION
Professional & Vocational Licensing Division
Department of Regulatory Agencies
State of Hawaii

MINUTES OF MEETING

Date: Thursday, February 25, 1971

Place: Examination Room, Department of Regulatory Agencies
1010 Richards Street, Honolulu, Hawaii

Present: Douglas R. Sodetani, Chairman
Herbert S. Isonaga, Vice Chairman
John D. Texeira, Member
Hiromu Yamanaka, Member
William H. C. Young, Member

Sidney Ayabe, Deputy Attorney General
Yukio Higuchi, Executive Secretary

Professor Donald Bell, College of Business Administration, University
of Hawaii
George Morris, Jr., Executive Vice President of Honolulu Board of
Realtors
Mary Savio, Representing Hawaii Association of Real Estate Boards

Absent: Louis Cannelora, Member
Harold J. Silva, Member

Call to Order: There being a quorum, Chairman Douglas Sodetani called the meeting
to order at 1:40 p.m.

Appointment: Chairman Sodetani appointed Louis Cannelora to serve as Chairman
of the Rules and Regulations Review Committee.

Reading of Minutes: Upon motion, the minutes of the January 28, 1971 meeting were
approved as circulated.

Business Out of Minutes: Educational Task Force Committee Report
Committee Chairman William Young reported that he reviewed the
final drafts of Project Agreements Nos. 2 and 3 and the newsletter
agreement and found them to be satisfactory.

Professor Donald Bell explained the minor changes made in the
three agreements.

Upon motion, the agreements were accepted for execution, subject
to the Attorney General's approval as to form.

Attorney General's Report
Deputy Attorney General Sidney Ayabe gave his report on the
following subject matters:

Al Ching, Inc.

Attorney General will send the case folder back to the Commission with his recommendation to refer the matter to the Prosecutor's Office.

Upon motion the Commission accepted the recommendation of the Attorney General and the matter will be referred to the Prosecutor's Office for prosecution.

Kuakini Development Corporation

Attorney General will send the case folder back to the Commission with his recommendation to refer the matter to the Prosecutor's Office.

Upon motion the Commission accepted the recommendation of the Attorney General and the matter will be referred to the Prosecutor's Office for prosecution.

Hale Pau Hana Condominium

Attorney General is holding on to this case inasmuch as both parties are undergoing negotiations for settlement. Ayabe requested that the Commission reconsider sending this on to the Prosecutor at this time inasmuch as the matter is under observation as to settlement through negotiations.

Upon motion, the Commission decided to defer action on the matter until the next meeting.

Legislation Pertaining to Real Estate Recovery Fund

Ayabe reported that he has worked on proposed legislation pertaining to the Real Estate Recovery Fund and drafts of the proposed legislations will be forwarded to the Executive Secretary to be submitted to the Director of Regulatory Agencies for submittal as administrative bill.

Upon motion, the Commission decided that a proposed amendment be drafted which will authorize the Commission to settle claims against the Real Estate Recovery Fund upon the unanimous consent of the Commission, Attorney General, and Director of Regulatory Agencies. Ayabe was requested to draft the proposed legislation.

Investigations: RE-388 and 395 Romco Esperanza and Ben Ayson

The Executive Secretary reported that the hearing on Esperanza and Ayson has been scheduled for April 13, 1971 at 9:00 a.m. Hearing officers are William Young and John Texeira.

RE-405 Clarence S. L. Tam

The Executive Secretary reported that the hearing on Tam has been set for April 6, 1971 at 9:30 a.m. Hearing officers are Douglas Sodeani and Harold Silva.

RE-406 Hawaii Homes (Corbett Tharp, Inc.)

The Executive Secretary reported that the suit filed by Leon Cavasso, Jr., against Corbett Tharp, Inc., et al came on for trial on February 8, 1971. Although a judgment has not yet been rendered, the Court ruled as follows:

- 1) Marion Johnson and Edward Bly, the principal brokers of Corbett-Tharp, Inc., were not responsible in any way for the fraud of Gary Tharp and Carol Tharp. A motion for summary judgment was allowed to release the above defendants.
- 2) That Carol and Gary Tharp are liable personally and as real estate salesmen for fraud perpetrated upon Leon Cavasso, Jr., to the extent of \$8,500. Although specifically prayed for, punitive damages were not allowed.
- 3) That Corbett-Tharp, Inc., is secondarily liable for contribution to the judgment.
- 4) That the plaintiff, Leon Cavasso, Jr., through his attorney, must pursue Carol and Gary Tharp who are solvent and presently residing in the State of Florida for the full amount of the judgment.

RE-421 Velva Bergevin, Ltd.

At the January 28, 1971 meeting, the Commission decided that attempts would be made to contact Lawton to get his views on this matter. The Executive Secretary presented the Commission with Walter J. Lawton's letter of explanation which was sent through Velva Bergevin.

Upon motion, the Commission decided that this matter be considered closed on the basis of Lawton's (purchaser) letter of explanation as to his reason for offering \$1,000 more than the seller's listing price. The Commission is satisfied that there was no collusion or fraud on the part of the real estate agents.

RE-318 Robert Lucas

Complaint Review Committee Chairman Herbert Isonaga recommended that his committee conduct an information meeting and invite Mrs. Westman, Lucas, and Charlotte Peck to determine whether Lucas knew about the bankruptcy of developer, and whether he had conveyed this information to Westman.

The Chair directed Isonaga to proceed with the informal meeting.

RE-411 Shoji Fujishima

Complaint Review Committee Chairman Isonaga reported that he found no violation and no cause to investigate this matter further.

Upon motion, the Commission accepted and approved the recommendation of Isonaga.

RE-423 Royalty Enterprises Corporation

Complaint Review Committee Chairman Isonaga recommended that an informal meeting be conducted by his committee on Moses Chang

and Albert Auyong for possible violation of the licensing law and rules and to send a cease and desist letter to Royalty Enterprises Corporation.

The Chair directed Isonaga to proceed with the informal meeting. The Executive Secretary was directed to write the cease and desist letter to Royalty Enterprises Corporation.

RE-426 Tropic Shores Realty, Ltd.

Complaint Review Committee Chairman Isonaga recommended that his committee conduct an informal meeting and invite Mrs. Dunstan, Charles Carey, and James Gregory.

Executive Secretary read additional investigation information submitted under date of February 22, 1971. Copies of the additional information will be sent to all members.

The Chair directed that Isonaga proceed with an informal meeting.

New Business: Licensing

Corporation

Jerry Asam Real Estate Co., Inc.	Gerald M. Asam, PB
American Pacific Mortgage Corporation	Harold K. Kobayashi, PB
Civic Realty, Inc., dba George H. Sakoda Realty	George H. Sakoda, PB
Quality Pacific, Ltd.	Robert M. Estes, PB
General Pacific Corp.	Laura C. Light, PB
Paramount Homes, Inc.	Nelson K. H. Ching, PB

Branch Office

RSM, Inc. BR-4 (Honolulu)	Lawrence E. Salisbury, BIC
Thomas Nakahara Realty, Inc. BR-1 (Hilo)	George Tung, BIC

DBA

McDonald & Associates	Richard C. MacDonald, dba
Armida B. Smith Realtor	Armida B. Smith, dba
W. C. Realty	Wilfred W. C. Lum, dba

Upon motion, the license processing of the above as tentatively authorized by the Licensing Administrator was approved subject to check of applicants' business addresses for proper zoning.

The Executive Secretary was also directed to request that Investigation Branch check out the business addresses of all future applicants and determine whether in proper zoned areas. Direction was also given to list the applicants' business addresses in the meeting agenda.

Application for Real Estate Broker License - Violet C. King

The Executive Secretary reported that Violet C. King whose broker license was revoked twice has filed an application for a broker license on February 2, 1971. Her application was presented for consideration and action.

Texeira moved and Yamanaka seconded that her application be denied inasmuch as the statutory two (2) years period had not expired since her license was revoked, which was as of the date of Order of Permanent Injunction issued by the Circuit Court on June 24, 1970. Motion carried unanimously.

Miscellaneous: 1971 Legislation

The Executive Secretary passed out copies of legislative bills submitted to the Senate and House of Representative by Administration.

The Executive Secretary was requested to send copies of the statements on S.B. Nos. 472, 474 and 475 to each member of the Legislature. Chairman Sodeani is to prepare the transmittal letter.

Correspondence from Bernice Pauahi Bishop Estate

The Executive Secretary presented the Commission with the letter received from Bishop Estate requesting that a representative of the Commission assist them in drawing names of prospective purchasers in the Waiālae Iki View Lots - Unit III. The drawing is scheduled for March 25, 1971 at 10:00 a.m.

William Young volunteered to represent the Commission at the drawing.

Next Meeting: Thursday, March 25, 1971, at 1:00 p.m.

Adjournment: There being no further business, the meeting was adjournment at 4:15 p.m.

Recorded by:


YUKIO HIGUCHI
Executive Secretary

YH:va
3/9/71